GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4389
ANSWERED ON:19.05.2006
DEMAND FOR LOAN
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Will the Minister of FINANCE be pleased to state:

(a) whether there was a spurt in demand for loans from individuals as well as companies during 2005-2006;

(b) if so, the percentage increase in the demand as compared to the previous year i.e. 2004-05; and

(c) the projection of demand for the current financial year?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Scheduled Commercial Banks` credit rose by 36.0 per cent (Rs.3,96,045 crore) during the 2005-06, over and above 27,0 per cent (Rs.2,26,761 crore), in the previous year.

(c): In the Annual Policy Statement for the year 2006-07, Governor, Reserve Bank of India (RBI) has indicated that Non-food bank credit including investments in bonds / debentures / shares of public sector undertakings and private corporate sector and commercial paper (CP) is projected to increase during the year 2006-07 by around 20%.